

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0579-01  
Bill No.: HB 339  
Subject: Education, Higher: Higher Education Dept  
Type: Original  
Date: February 10, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General Revenue	(\$390,750)	(\$804,945)	(\$1,243,640)
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>(\$390,750)</b>	<b>(\$804,945)</b>	<b>(\$1,243,640)</b>

\*Subject to appropriation; language indicates "shall"

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>School Districts</b>	<b>(\$130,250)</b>	<b>(\$268,315)</b>	<b>(\$414,547)</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Department of Higher Education (DHE)** indicated this proposed legislation would have no impact on CBH, but there is potential state impact as this program is administered by the Department of Elementary and Secondary Education.

The **Department of Elementary and Secondary Education (DESE)** made the following fiscal assumptions regarding the proposed program:

				<u>Allocation</u>	
	<u># of Scholarships</u>	<u>x Tuition</u>	<u>= Total</u>	<u>State 75%</u>	<u>Local 25%</u>
FY 04	100	\$5,210	\$ 521,000	\$ 390,750	\$ 130,250
FY 05	200	\$5,366	\$1,073,260	\$ 804,945	\$ 268,315
FY 06	300	\$5,527	\$1,658,187	\$1,243,640	\$ 414,547

Program costs will grow significantly until year four when the costs should begin to level out. These calculations assume all 100 scholarships are appropriated each year and that each scholar continues through the program until the fourth year, meeting all requirements for eligibility. DESE chose the University of Missouri - Columbia to represent an average of tuition and fees for Missouri's four-year colleges and universities; it should be noted that costs can exceed or be

ASSUMPTION (continued)

somewhat below this level. DESE further assumed a 3% increase in tuition and fees in subsequent years.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as 16 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$984 for FY 2004. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Saint Louis Public Schools (SLPS)** indicate costs if SLPS participates, but it is unknown at this time if they would participate in the program.

Officials from the **Kansas City, Missouri School District** responded but did not estimate a fiscal impact of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Department of Elementary and Secondary Education			
Scholarship Funds (75%)*	<u>(\$390,750)</u>	<u>(\$804,945)</u>	<u>(\$1,243,640)</u>
<b>ESTIMATED NET EFFECT TO GENERAL REVENUE*</b>	<b><u>(\$390,750)</u></b>	<b><u>(\$804,945)</u></b>	<b><u>(\$1,243,640)</u></b>

**\*Subject to Appropriation; language indicates "shall"**

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>SCHOOL DISTRICTS</b>			
<u>Cost - Scholarship costs (25%)</u>	<u>(\$130,250)</u>	<u>(\$268,315)</u>	<u>(\$414,547)</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>(\$130,250)</u></b>	<b><u>(\$268,315)</u></b>	<b><u>(\$414,547)</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

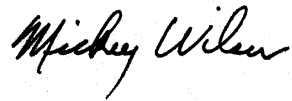
DESCRIPTION

This proposed legislation creates the Urban Flight Scholarship Program for students who commit to teach in a metropolitan or urban school district with a high at-risk student population, as defined by rule. Subject to appropriation, the Department of Elementary and Secondary Education will administer up to 100 four-year scholarships for eligible students from metropolitan or urban districts or for students who have completed a bachelor's degree and commit to teach in an urban or metropolitan school for two years for every one year of the scholarship. If the commitment is not fulfilled, the scholarship is treated as a loan. Seventy-five percent of the scholarship will be funded by DESE; 25% will be funded by local school districts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education  
Department of Elementary and Secondary Education  
Office of Secretary of State  
Administrative Rules Division  
St Louis Public Schools  
Kansas City, Missouri School District

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 10, 2003